

Message Text

LIMITED OFFICIAL USE

PAGE 01 BONN 12104 311639Z

62

ACTION EUR-25

INFO OCT-01 ISO-00 SAJ-01 CIAE-00 DODE-00 PM-07 H-03

INR-11 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03

SS-20 USIA-15 AID-20 COME-00 EB-11 FRB-03 TRSE-00

XMB-07 OPIC-12 CIEP-03 LAB-06 SIL-01 OMB-01 STR-08

IO-14 NIC-01 DRC-01 /190 W
----- 053258

R 311535Z JUL 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 4120

INFO AMEMBASSY PRAGUE

USMISSION BERLIN

AMEMBASSY SOFIA

AMEMBASSY MOSCOW

AMEMBASSY BUDAPEST

AMEMBASSY BUCHAREST

AMEMBASSY THE HAGUE

USMISSION EC BRUSSELS

AMEMBASSY WARSAW

LIMITED OFFICIAL USE BONN 12104

E.O. 11652: N/A

TAGS: ETRD

SUBJECT: STATUS OF FRG BILATERAL ECONOMIC RELATIONS
WITH EASTERN EUROPE

REF: A. SOFIA 421; B. PRAGUE 1751; C. BONN 8502;
D. BONN A-384 OF 29 JULY 1974

1. THE FRG RECENTLY CONCLUDED NEGOTIATING SESSIONS
WITH BULGARIA, HUNGARY, POLAND AND CZECHOSLOVAKIA ON
CONCLUSION OF 10 YEAR LONG-TERM ECONOMIC, TECHNICAL
AND INDUSTRIAL AGREEMENTS. HEREWITH IS TRANSMITTED
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BONN 12104 311639Z

A STATUS REPORT ON THOSE NEGOTIATIONS.

2. FRG-BULGARIA. THE FRG AND BULGARIA INITIALLED AN AGREEMENT ON JULY 12, 1974 IN BONN (TEXT IN REFTEL D) COVERING LONG-TERM COOPERATION IN ECONOMIC, TECHNICAL AND INDUSTRIAL FIELDS. IT IS THE FIRST OF FOUR AGREEMENTS, INITIALLY DISCUSSED DURING SCHEEL'S VISIT TO BULGARIA (REFTEL A), ON WHICH AGREEMENT HAS BEEN REACHED. THE BULGARIAN DELEGATION WAS LED BY AMBASSADOR STOJAN GEORGIEW, CHIEF OF THE WESTERN EUROPEAN SECTION OF THE BULGARIAN FOREIGN OFFICE. ACCORDING TO THE FRG FOREIGN OFFICE IT IS THE STANDARD LONG-TERM AGREEMENT AND THE GERMANS EXPECT SIGNATURE IN THE FALL. IT IS SCHEDULED TO COME INTO FORCE WHEN SIGNED. A FOREIGN OFFICE OFFICIAL INDICATED THAT THE FRG IS PROVIDING THE EC COMMISSION WITH INFORMATION ON THE AGREEMENT.

3. HUNGARY. ANOTHER ROUND OF FRG HUNGARIAN NEGOTIATIONS HAS BEEN CONCLUDED OVER A SIMILAR AGREEMENT BUT THIS AGREEMENT, CONTRARY TO THE REPORT IN PARA 5 OF REFTEL B, HAS NOT YET BEEN SIGNED. THE STICKING POINT IS ONE ARTICLE IN THE HUNGARIAN DRAFT. ACCORDING TO FRG FOREIGN OFFICE OFFICIALS THE HUNGARIANS TABLED A DRAFT WHICH CONTAINED LANGUAGE WHICH THE FRG CONSIDERS QUOTE TOO CLOSE TO MFN TREATMENT UNQUOTE. THE GERMANS TELL US THAT THEY WILL CONSULT WITH THE EC ON THIS ARTICLE BUT THEY DO NOT SEEM DISPOSED TO INSIST THAT THE HUNGARIANS REVISE THE DRAFT LANGUAGE BUT RATHER PLAN TO PUBLISH A LETTER EXPLAINING THE FRG'S INTERPRETATION OF THE LANGUAGE ONCE THE AGREEMENT IS SIGNED. FOREIGN OFFICE OFFICIALS ACT AS IF THE AGREEMENT IS ALREADY SIGNED. THE FOREIGN OFFICE ANTICIPATES THAT THE AGREEMENT WILL BE SIGNED BY FRG ECONOMICS MINISTER FRIDERICH'S DURING A TENTATIVELY SCHEDULED VISIT TO BUDAPEST IN THE AUTUMN.

4. POLAND. ANOTHER NEGOTIATING SESSION WAS HELD RECENTLY WITH THE POLES ON CONCLUDING AN AGREEMENT BUT NO PROGRESS WAS MADE. THE POLES APPARENTLY CONTINUED TO IGNORE FRG ARGUMENTS AGAINST INCLUDING SPECIFIC LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BONN 12104 311639Z

SECTIONS ON TRADE IN THE AGREEMENT DUE TO EC RESPONSIBILITY. WE WERE TOLD THERE HAVE BEEN NO FURTHER NEGOTIATIONS OVER AN FRG CREDIT TO POLAND. RECENT PRESS REPORTS IN THE FRG ON SCHMIDT'S LETTER TO GIEREK CONTAIN SPECULATION THAT SCHMIDT HAS REITERATED THE FRG DESIRE TO REACH AGREEMENT ON A DM1BILLION CREDIT.

5. CZECHOSLOVAKIA. FOREIGN OFFICE OFFICIALS
CONFIRM THAT THE FRG AND CZECHOSLOVAKIA WILL RENEW
THEIR ATTEMPTS TO CONCLUDE A LONG-TERM ECONOMIC
COOPERATION AGREEMENT IN THE FALL AFTER AN
AUGUST PAUSE. FRG OFFICIALS ARE OPTIMISTIC
THAT THE ONE REMAINING PROBLEM OF HOW TO TREAT
EXPORTS FROM FRG LICENSED ENTERPRISES IN CZECHOSLOVAKIA
COMING TO THE FRG CAN BE SOLVED, PARTICULARLY SINCE
THE REST OF THE AGREEMENT IS READY FOR INITIALLING.

6. COMMENT. THE BULGARIAN AGREEMENT IS THE FIRST
MAJOR ECONOMIC AGREEMENT TO BE CONCLUDED BETWEEN THE
FRG AND AN EASTERN EUROPEAN COUNTRY, SINCE THE
ROMANIAN AGREEMENT IN JULY 1973. (DETAILS ON THE
FRG-ROMANIAN AGREEMENTS RELATIONSHIP TO THE DUTCH-
ROMANIAN PROBLEM ARE BEING REPORTED SEPARATELY).
DURING THE YEAR, THE EASTERN COUNTRIES APPEARED
RETICENT, IN FRG EYES, TO INSTITUTIONALIZE THEIR
ECONOMIC RELATIONS WITH THE FRG, DUE TO A DESIRE
TO FIRST COMPLETE THE PROCESS OF NORMALIZATION OF
FRG DIPLOMATIC RELATIONS WITH ALL EASTERN
EUROPEAN COUNTRIES AS WELL AS DUE TO SOME REPORTED
SOVIET PRESSURE TO DELAY AGREEMENT UNTIL THE
DIRECTION OF FRG'S OSTPOLITIK WAS CLEARER.

7. ONCE THIS DIPLOMATIC PROCESS WAS COMPLETED, I.E.
WITH CZECHOSLOVAKIA, THERE HAS BEEN A RUSH TO THE FRG'S
DOOR PARTICULARLY SINCE THE EASTERN EUROPEANS
ARE NOW SOMEWHAT FEARFUL THAT AFTER JANUARY 1, 1975
WITH THE ASSUMPTION OF FULL TRADE RESPONSIBILITY IN THE
EC, THEIR CHANCES TO EASILY CONCLUDE AN ECONOMIC
AGREEMENT CONTAINING SOME TRADE LANGUAGE MAY BE
DIMINISHED.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 BONN 12104 311639Z

HILLENBRAND

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC COOPERATION, ECONOMIC DEVELOPMENT, AGREEMENTS, INTERGOVERNMENTAL COOPERATION, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 31 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BONN12104
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740208-0797
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974074/aaaaacwa.tel
Line Count: 155
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A. SOFIA 421; B. PRAGUE 1751; C. BON, N 8502;
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 08 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 APR 2002 by kelleyw0>; APPROVED <24 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: STATUS OF FRG BILATERAL ECONOMIC RELATIONS WITH EASTERN EUROPE
TAGS: ETRD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005